

By: West

S.B. No. 1781

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain degree-granting postsecondary educational institutions by the Texas Higher Education Coordinating Board; providing administrative penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter G, Chapter 61, Education Code, is amended by adding Section 61.3025 to read as follows:

Sec. 61.3025. DEFINITION: ACADEMIC RECORDS. (a) In this subchapter, "academic records" means any information that is:

(1) directly related to a student's educational efforts;

(2) intended to support the student's progress toward completing a degree program; and

(3) regardless of the format or manner in which or the location where the information is held, maintained by an institution for the purpose of sharing among academic officials.

(b) The term "academic records" includes a student's educational history but does not include medical records, alumni records other than educational history, human resources records, or criminal history record information or other law enforcement records.

SECTION 2. Section 61.303, Education Code, is amended to read as follows:

Sec. 61.303. EXEMPTIONS. (a) Unless specifically

1 provided otherwise, the ~~[The]~~ provisions of this subchapter do not
2 ~~[in any way]~~ apply to an institution that ~~[which]~~ is fully
3 accredited by and in good standing with a recognized accrediting
4 agency, or an institution or degree program that has received
5 approval by a state agency authorizing the institution's graduates
6 to take a professional or vocational state licensing examination
7 administered by that agency. The granting of permission by a state
8 agency to a graduate of an institution to take a licensing
9 examination does not by itself constitute approval of the
10 institution or degree program required for an exemption under this
11 subsection.

12 (b) The exemptions provided by Subsection (a) apply only to
13 the degree level for which an institution is accredited, and if an
14 institution offers to award a degree at a level for which it is not
15 accredited, the exemption does not apply.

16 (c) The board may issue to an ~~[An]~~ exempt institution or
17 person ~~[may be issued]~~ a certificate of authorization to grant
18 degrees. The board may adopt rules regarding a process to allow an
19 exempt institution or person to apply for and receive a certificate
20 of authorization under this section.

21 (d) The board by rule may require an exempt institution or
22 person to ensure that the financial resources and financial
23 stability of the institution or person are adequate to provide
24 education of a good quality and to fulfill the institution's or
25 person's commitments to its enrolled students and may require the
26 institution or person to provide to the board documentation of the
27 institution's or person's compliance with those requirements.

1 Rules adopted under this subsection must:

2 (1) require the institution or person to maintain
3 reserves, lines of credit, or surety instruments that, when
4 combined with tuition and fee receipts, are sufficient to allow the
5 institution or person to fulfill its educational obligations to its
6 enrolled students if the institution or person is unable to admit
7 new students in an academic year for any reason; and

8 (2) require that the financial resources maintained
9 under Subdivision (1) be conditioned to allow only the board to
10 withdraw funds for the benefit of the institution's or person's
11 enrolled students under the circumstance described by Subdivision
12 (1).

13 (e) To enable the board to verify the conditions under which
14 a certificate of authorization issued under this section is held,
15 the board by rule may require an exempt institution or person to
16 report to the board on a continuing basis other appropriate
17 information in addition to the documentation required under
18 Subsection (d).

19 (f) An exempt institution or person continues [~~would~~
20 ~~continue~~] in that status only if the institution or person
21 maintains [~~so long as it maintained~~] accreditation by, and remains
22 in good standing with, a recognized accrediting agency or otherwise
23 meets [~~met~~] the provisions of Subsection (a).

24 (g) [(e)] The board by rule shall provide for due process
25 and shall provide procedures for revoking or placing conditions on
26 the exemption status of an institution or person or for revoking or
27 placing conditions on a previously issued certificate of

1 authorization.

2 (h) Under the rules described by Subsection (g), the board
3 may revoke or place conditions on an institution's or person's
4 exemption status or certificate of authorization only if the board
5 has reasonable cause to believe that the institution or person has
6 violated this subchapter or any rule adopted under this subchapter.

7 (i) Before revoking or placing conditions on an
8 institution's or person's exemption status or certificate of
9 authorization under Subsection (h), the board must provide to the
10 institution or person written notice of the board's impending
11 action and include the grounds for that action.

12 (j) If the board places conditions on an institution's or
13 person's exemption status or certificate of authorization under
14 Subsection (h), until the board removes the conditions, the board
15 may reexamine the applicable institution or person at least twice
16 annually following the date the board provided notice under
17 Subsection (i).

18 (k) [~~(f)~~] A private postsecondary educational institution
19 may not establish or operate a branch campus, extension center, or
20 other off-campus unit in Texas except as provided by this
21 subsection or the rules of the board. This subsection does not
22 apply to a private or independent institution of higher education
23 as defined by Section 61.003.

24 SECTION 3. Subchapter G, Chapter 61, Education Code, is
25 amended by adding Section 61.3075 to read as follows:

26 Sec. 61.3075. REQUIRED FINANCIAL RESOURCES. The board by
27 rule may require an institution operating under a certificate of

1 authority, or seeking to operate under a certificate of authority,
2 to ensure that the financial resources and financial stability of
3 the institution are adequate to provide education of a good quality
4 and to fulfill the institution's commitments to its enrolled
5 students and may require the institution to provide to the board
6 documentation of the institution's compliance with those
7 requirements. Rules adopted under this subsection must:

8 (1) require the institution to maintain reserves,
9 lines of credit, or surety instruments that, when combined with
10 tuition and fee receipts, are sufficient to allow the institution
11 to fulfill its educational obligations to its enrolled students if
12 the institution is unable to admit new students in an academic year
13 for any reason; and

14 (2) require that the financial resources maintained
15 under Subdivision (1) be conditioned to allow only the board to
16 withdraw funds for the benefit of the institution's enrolled
17 students under the circumstance described by Subdivision (1).

18 SECTION 4. Section 61.315, Education Code, is amended to
19 read as follows:

20 Sec. 61.315. AGENTS AND RECORDS; ACADEMIC RECORDS
21 REPOSITORY. (a) The authorized or certified institutions may be
22 required to provide [furnish] a list of their agents to the board,
23 and to maintain in a manner specified by the board the academic
24 records of enrolled or former students [enrolled], including
25 records of credits [awarded,] and degrees awarded, and provide
26 those records to the board on request [in a manner specified by the
27 board].

1 (b) The board may maintain a repository for academic records
2 from closed institutions that were exempt or were authorized to
3 operate under a certificate of authorization or certificate of
4 authority. The board may discontinue its maintenance of the
5 repository if adequate funding is not provided for that
6 maintenance. The academic records repository is considered to be a
7 repository of last resort. If a closed institution is part of a
8 larger educational system or corporation, that system or
9 corporation shall maintain the academic records. If students of
10 the closed institution transfer to another institution through an
11 agreement between the institutions to continue the students' degree
12 programs, the institution responsible for accepting the
13 transferring students shall maintain those academic records.

14 SECTION 5. Section 61.316, Education Code, is amended by
15 adding Subsection (e-1) to read as follows:

16 (e-1) Any authorized or certified institution that fails to
17 maintain in a manner specified by the board the academic records of
18 enrolled or former students, including records of credits and
19 degrees awarded, or that fails to protect the personally
20 identifiable information of enrolled or former students shall be
21 assessed an administrative penalty of not less than \$100 or more
22 than \$500 for each student whose academic record was not maintained
23 or whose personally identifiable information was not protected.

24 SECTION 6. The Texas Higher Education Coordinating Board
25 shall adopt the rules required by Subchapter G, Chapter 61,
26 Education Code, as amended by this Act, as soon as practicable after
27 the effective date of this Act.

1 SECTION 7. This Act takes effect only if a specific
2 appropriation for the implementation of the Act is provided in a
3 general appropriations act of the 85th Legislature.

4 SECTION 8. This Act takes effect September 1, 2017.